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UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

-----X  
In re:

Chapter 11

DUFOUR PASTRY KITCHENS, INC.,

Case No.16-12975 ( )

Debtor.  
-----X

**DECLARATION OF CARLA KRASNER PURSUANT TO LOCAL RULE 1007-2**

CARLA KRASNER, being duly sworn, deposes and says:

1. I am the Vice President and 50% shareholder of Dufour Pastry Kitchens, Inc. (the "Debtor"), and I submit this affidavit pursuant to Rule 1007-2 of the Local Rules for the United States Bankruptcy Court for the Southern District of New York.

**BACKGROUND**

2. For over thirty years, the Debtor, a woman-owned business, has made and sold premium frozen ready-to-bake puff pastry dough, tart shells, and hors d'oeuvres. Its products are made by hand in the Bronx using butter sourced from an upstate New York creamery, then shipped across the country to distributors serving the finest caterers, restaurants, hotels, and such specialty supermarket chains as Whole Foods, Sprouts, King's, Giant Eagle and Fresh Market. In New York City, customers include the Waldorf Astoria, Sheraton NY, and Grand Hyatt as well as specialty food shops like Zabar's, Dean & DeLuca, Citarella and Fairway. The Debtor

produces pastry components (business to business) to manufacturers who make finished product for Walmart, Costco and other big box stores, and also produces elegant private label hors d'oeuvres for mail order catalogs. Their brand, particularly renowned for their puff pastry has garnered praise from *The New York Times*, *Bon Appetit* magazine and such celebrity chefs and food personalities as Martha Stewart, Rachel Ray, Mario Batali and Thomas Keller. Over 65% of the Debtor's workforce are residents of the Bronx, and the Debtor is a Nationally Certified Women Owned Business (WBENC).

3. The Debtor's business is seasonal, with an estimated 60% of its revenue earned between the months of September and December. Revenues have consistently been in the range of \$3-3.75 million per year.

4. In 2007, the Debtor moved its operations from Manhattan to a warehouse at 251 Locust Avenue, Bronx, New York, the Port Morris section of the Bronx. The area was designated by the Federal Government as an "Empowerment Zone" to promote business development and jobs in the area. The Debtor had borrowed \$875,967 from the Bronx Overall Economic Development Corporation ("BOEDC") for leasehold improvements and equipment which has been substantially paid down, and is currently an unsecured loan.

5. During the build-out of the Bronx warehouse, it became necessary to acquire additional funding for unforeseen construction and equipment needs. Commerce Bank (TD Bank) supplied the additional \$ 670,000 with an SBA 7A loan.

6. Through the New York City R.E.A.P. relocation moving benefit, the Debtor benefitted from an approximately \$ 96,000 tax credit per year for a five-year period. During that time the Debtor's business flourished and the Debtor was able to meet its daily operating expenses as well as its debt service. When the tax credit came to an end, the Debtor struggled to keep up with its

long term debt obligations.

7. The Debtor approached its secured creditor, TD Bank, N.A. to discuss restructuring its loan payments. The original loan for \$670,000 had been dutifully paid down to approximately \$250,000, but with the expiration of the tax credit the Debtor sought to restructure its obligations.

8. Unable to resolve with either TD Bank or the Small Business Administration, the Debtor fell behind on its loan payments. A collection action was commenced, *TD Bank, N.A. v. Dufour Pastry Kitchens, Inc., Judith Arnold and Carla Krasner*, Supreme Court, Bronx County, Index No. 22525/2015E. As of the Filing Date, a motion for summary judgment was granted in favor of the bank and a judgment was recently entered in favor of TD Bank.

9. The Debtor does not dispute the loan obligation, but simply needs time to restructure the obligation.

10. The Debtor's desire is to utilize the bankruptcy process in order to generally restructure and reorganize its affairs as well as explore options for expansion, the raising of capital and other strategic transactions. Properly capitalized, the Debtor believes it could greatly increase revenues and profitability. The Debtor believes that with the help of counsel it will be able to restructure its affairs and propose a plan of reorganization that it is in the best interests of its creditors and affords them the greatest recovery possible.

11. The needs and interests of the Debtor's creditors will best be served by the continued possession of its property and management of its affairs as debtor-in-possession under Chapter 11 until confirmation of a reorganization plan.

**INFORMATION REQUIRED BY LOCAL BANKRUPTCY RULE 1007**

12. In addition to the foregoing, Local Bankruptcy Rule 1007-2 requires certain information related to the Debtor, which is set forth below.

**Local Rule 1007-2(a)(1)**

13. The Debtor makes and sells frozen ready-to-bake puff pastry dough and tart shells, and hors d'oeuvres.

**Local Rule 1007-2(a)(2)**

14. This case was not originally commenced under Chapter 7 or 13 of title 11 of the United States Code, 11 U.S.C. §§ 101, et seq., as amended by the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005.

**Local Rule 1007-2(a)(3)**

15. Upon information and belief, no committee was organized prior to the order for relief in this Chapter 11 case.

**Local Rule 1007-2(a)(4)**

16. A list of the names and addresses of the Debtor's 20 largest unsecured claims, excluding those who would not be entitled to vote at a creditors' meeting and creditors who are "insiders" as that term is defined in 11 U.S.C. Section 101(31) is annexed hereto as **Schedule I**.

**Local Rule 1007-2(a)(5)**

17. A list of the names and addresses of the five largest secured creditors is annexed hereto as **Schedule II**.

**Local Rule 1007-2(a)(6)**

18. A balance sheet will be filed separately pursuant to the requirements of a small business debtor set forth in 11 U.S.C. §1116.

**Local Rule 1007-2(a)(7)**

19. There are no publicly held securities of the Debtor.

**Local Rule 1007-2(a)(8)**

20. None of the Debtor's property is in the possession of any custodian, public officer, mortgagee, pledge, assignee of rents, or secured creditor, or any agent for such entity.

**Local Rule 1007-2(a)(9)**

21. The Debtor leases property for its manufacturing and distribution operations at 251 Locust Avenue, Bronx, New York 10454.

**Local Rule 1007-2(a)(10)**

22. The Debtor's records are located at its offices located at 251 Locust Avenue, Bronx, New York 10454.

**Local Rule 1007-2(a)(11)**

23. There is one legal action pending against the Debtor, *TD Bank, N.A. v. Dufour Pastry Kitchens, Inc., Judith Arnold and Carla Krasner*, Supreme Court, Bronx County, IndexNo. 22525/2015E

**Local Rule 1007-2(a)(12)**

24. The Debtor's senior management includes Judith Arnold, President and Carla Krasner, Vice President.

**Local Rule 1007-2(b)(1) and (2)**

25. The Debtor's estimated weekly payroll to employees for the thirty (30) day period following the Chapter 11 petition is \$32,000, including temporary outside labor.

26. The Debtor's estimated weekly payroll and payments to officers, stockholders,

and directors for the thirty (30) day period following the Chapter 11 petition is \$4,675.

**Local Rule 1007-2(b)(3)**

27. The Debtor estimates that it will at least break even in the 30-day period following the filing of the chapter 11 petition.

28. A thirty (30) day cash flow projection is attached.

**CONCLUSION**

Pursuant to 28 U.S.C. § 1746, I declare under the penalty of perjury that the foregoing is true and correct.

By: /s/ Carla Krasner  
Carla Krasner, Vice President

**Schedule I**  
**20 Largest Unsecured Claims**

**Fill in this information to identify the case:**

Debtor name Dufour Pastry Kitchens, Inc.  
United States Bankruptcy Court for the: SOUTHERN DISTRICT OF NEW YORK  
Case number (if known): \_\_\_\_\_

☐ Check if this is an  
amended filing

**Official Form 204**

**Chapter 11 or Chapter 9 Cases: List of Creditors Who Have the 20 Largest Unsecured Claims and Are Not Insiders** 12/15

A list of creditors holding the 20 largest unsecured claims must be filed in a Chapter 11 or Chapter 9 case. Include claims which the debtor disputes. Do not include claims by any person or entity who is an insider, as defined in 11 U.S.C. § 101(31). Also, do not include claims by secured creditors, unless the unsecured claim resulting from inadequate collateral value places the creditor among the holders of the 20 largest unsecured claims.

Name of creditor and complete mailing address, including zip code	Name, telephone number and email address of creditor contact	Nature of claim (for example, trade debts, bank loans, professional services, and government contracts)	Indicate if claim is contingent, unliquidated, or disputed	Amount of claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
				Total claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
BOEDC 851 Concourse Bronx, NY 10451						\$348,346.78
TD Bank N.A. 1701 Route 70 East Cherry Hill, NJ 08034		Blanket Lien on Debtor's Assets		\$250,000.00	\$0.00	\$250,000.00
Chase Bank P.O. Box 9001022 Louisville, KY 40290						\$111,080.52
Imperial Bag & Paper co., Inc. 255- Routes 1-9 Jersey City, NJ 07306						\$88,703.24
885 East 138th Street LLC 1536 Third Ave, 3rd Floor New York, NY 10028						\$82,744.20
Millennium Funding PO Box Buffalo, NY 14231						\$36,066.69
Fodera Foods 129-02 Northern Blvd Corona, NY 11368						\$28,112.15
Active Temporaries Ltd 41 West 33rd Street New York, NY 10001						\$27,132.93
Karp Resources PO Box 515 Southold, NY 11971						\$24,168.35
Swede Farms Inc. 480 Alfred Avenue Teaneck, NJ 07666						\$17,401.94
Tri State Packaging Inc. 616 Bedford Avenue Brooklyn, NY 11249						\$15,171.14



Debtor Dufour Pastry Kitchens, Inc.  
Name

Case number (if known)

Name of creditor and complete mailing address, including zip code	Name, telephone number and email address of creditor contact	Nature of claim (for example, trade debts, bank loans, professional services)	Indicate if claim is contingent, unliquidated, or disputed	Amount of claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
				Total claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
Freedman 545 Livonia Avenue Brooklyn, NY 11207						\$8,986.17
Industrial Refridgeration, Inc 145-1 Remington Blvd Ranckonkoma, NY 11772						\$8,016.91
Interstate Container 501 Finnigans New Brunswick, NJ 08901						\$5,593.95
Allen Gross CPA PO Box 305 Emerson, NJ 07630						\$5,550.00
Oxford Health Plans P.O. Box 1368 Newark, NJ 07101						\$5,134.54
Rosemary Gross						\$2,703.83
Baldor Specialty Food 155 Food Center Dr. onx, NY 10474						\$2,411.40
ondo, Inc. 51 Joseph Street Moonachie, NJ 07074						\$2,192.17
United Staffind Solutions New York City Corporate Headqu 111 Broadway 3rd Flr New York, NY 10006						\$2,067.80



**Schedule II**  
**5 Secured Claims**

Bank of the West  
475 Sansome Street  
19th Floor  
San Francisco CA 94111

\$0.00

TD Bank N.A.  
1701 Route 70 East  
Cherry Hill NJ 08034

\$250,000.00

US Foods  
1051 Amboy Avenue  
Perth Amboy NJ 08861

\$0.00



**Schedule III**  
**Cash Flow Projections**

DAIUFOR PASTRY KITCHENS  
WEEKLY CASH FLOW 2016

OPENING BALANCE 7-Oct	WK ENDING FRIDAY 14-Oct WK 2	WK ENDING FRIDAY 21-Oct WK 3	WK ENDING FRIDAY 28-Oct WK 4	WK ENDING FRIDAY 4-Nov WK 5	WK ENDING FRIDAY 11-Nov WK 6	WK ENDING FRIDAY 18-Nov WK 7	WK ENDING FRIDAY 25-Nov WK 8	WK ENDING FRIDAY 2-Dec WK 9	WK ENDING FRIDAY 9-Dec WK 10	WK ENDING FRIDAY 16-Dec WK 11	WK ENDING FRIDAY 23-Dec WK 12	WK ENDING FRIDAY 30-Dec WK 13	WK ENDING FRIDAY 6-Jan WK 14	WK ENDING FRIDAY 13-Jan WK 15
20,888	20,888	82,145	36,674	18,899	11,122	2,812	(6,754)	(23,889)	(42,704)	(43,184)	(10,488)	16,402	20,919	10,848
20,888	78,683	50,000	101,885	101,885	101,885	101,885	101,885	123,828	123,828	123,828	123,828	123,828	94,308	94,308
20,888	97,568	132,145	138,559	120,784	113,007	104,897	93,131	98,738	80,824	80,484	113,139	140,030	115,225	104,954
		80,913	80,913	80,913	80,913	80,913	80,913	80,913	80,913	80,913	80,913	80,913	80,913	80,913
	1,058	1,058	1,058	1,058	1,058	1,058	1,058	1,058	1,058	1,058	1,058	1,058	1,058	1,058
	3,519	3,519	3,519	3,519	3,519	3,519	3,519	3,519	3,519	3,519	3,519	3,519	3,519	3,519
	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875
	1,635	1,635	1,635	1,635	1,635	1,635	1,635	1,635	1,635	1,635	1,635	1,635	1,635	1,635
	123	123	123	123	123	123	123	123	123	123	123	123	123	123
	772	772	772	772	772	772	772	772	772	772	772	772	772	772
	10,981	10,981	10,981	10,981	10,981	10,981	10,981	10,981	10,981	10,981	10,981	10,981	10,981	10,981
			18,827	18,827	18,827	18,827	18,827	18,827	18,827	18,827	18,827	18,827	18,827	18,827
			6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
			24,927	24,927	24,927	24,927	24,927	24,927	24,927	24,927	24,927	24,927	24,927	24,927
				5,135	5,135	5,135	5,135	5,135	5,135	5,135	5,135	5,135	5,135	5,135
				4,388	4,388	4,388	4,388	4,388	4,388	4,388	4,388	4,388	4,388	4,388
				1,798	1,798	1,798	1,798	1,798	1,798	1,798	1,798	1,798	1,798	1,798
				11,290	11,290	11,290	11,290	11,290	11,290	11,290	11,290	11,290	11,290	11,290
			700	700	700	700	700	700	700	700	700	700	700	700
				818	818	818	818	818	818	818	818	818	818	818
				400	400	400	400	400	400	400	400	400	400	400
			191	191	191	191	191	191	191	191	191	191	191	191
	2,017			509		2,017			818	2,017			472	2,017
	425			1,850		425			1,850	425			1,850	425
				145					145				145	
				637					637				637	
				48					48				48	
	2,000		2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
	4,442	3,678	2,839	6,477	2,000	6,249	2,818	2,891	8,834	4,742	3,528	2,938	5,438	4,442
TOTAL G & A EXPENSES														
TOTAL WEEKLY EXPENDITURES	15,424	95,471	119,640	106,662	110,184	113,451	117,020	142,443	124,088	90,863	98,737	118,111	104,677	87,890
CASH BALANCE LEFT OVER	20,888	82,145	36,674	18,899	11,122	2,812	(6,754)	(23,889)	(42,704)	(43,184)	(10,488)	16,402	20,919	10,848

BEGINNING CASH BALANCE

ACCOUNTS RECEIVABLE COLLECTIONS

WEEKLY CASH AVAILABLE TO SPEND

COST OF GOODS SOLD

OTHER EXPENDITURES

PAYROLL (NON-FACTORY):

PRODUCTION MANAGER

OFFICE

OFFICERS

SALES (COMMISSIONS ON 15TH)

PAYROLL PROCESSING

PAYROLL TAXES

TOTAL PAYROLL

OCCUPANCY:

RENT

REAL ESTATE TAXES (26,281.73 for year)

UTILITIES

TOTAL OCCUPANCY

INSURANCE:

BUSINESS, AUTO, & FLOOD INSURANCE

HEALTH INSURANCE

DISABILITY INSURANCE (QUARTERLY)

WORKERS COMP.

LIFE INSURANCE

TOTAL INSURANCE

GENERAL & ADMINISTRATIVE EXPENSES

TELEPHONE & INTERNET

RUBBISH REMOVAL

NEW EQUIPMENT LEASE (CONNEXT)

CONSULTING FEES

EXTERMINATING

REPAIRS & MAINT. (INDUSTRIAL REIG.)

CREDIT CARD FEES

VAN LEASE PAYMENT

ACCOUNTING

EQUIPMENT LEASE - DE LAGE

EQUIPMENT RENTAL - CANON

EQUIPMENT RENTAL - FITNEY BOWES

OTHER WEEKLY EXPENSES

TOTAL G & A EXPENSES

TOTAL WEEKLY EXPENDITURES

CASH BALANCE LEFT OVER